

EXHIBIT G

111TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } 111-512

COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY,
AND DIVESTMENT ACT OF 2010

JUNE 23, 2010.—Ordered to be printed

Mr. BERMAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 2194]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2194), to amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—*This Act may be cited as the “Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010”.*

(b) **TABLE OF CONTENTS.**—*The table of contents for this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Sense of Congress regarding the need to impose additional sanctions with respect to Iran.

TITLE I—SANCTIONS

Sec. 101. Definitions.

Sec. 102. Expansion of sanctions under the Iran Sanctions Act of 1996.

Sec. 103. Economic sanctions relating to Iran.

Sec. 104. Mandatory sanctions with respect to financial institutions that engage in certain transactions.

Sec. 105. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.

Conferees believe that the lack of enforcement of relevant enacted sanctions may have served to encourage rather than deter Iran's efforts to pursue nuclear weapons.

Despite successive Executive Branch failures to implement ISA, the legislation has made a positive contribution to United States national security. Arguably, the supply of capital to the Iranian petroleum sector has been constrained by the mere threat of sanctions. Further, by highlighting the threat from Iran, ISA has emerged as a deterrent to additional investment, and it has encouraged increased international community involvement with the Iranian nuclear issue.

To further strengthen sanctions targeting foreign investment in Iran's energy sector, Congress passed the 'Iran Freedom Support Act' (IFSA), a bill subsequently signed into law (P.L. 109-293) by President George W. Bush in September 2006. Among other provisions, the IFSA strengthened sanctions under ISA, including raising certain waiver thresholds to 'vital to the national security interests of the United States,' enlarging the scope of those who might be subject to sanctions, and enhancing tools for using financial means to address Iran's activities of concern.

In addition, in June 2007, the Senate passed the International Emergency Powers Enhancement Act, with the House following suit and the President's signing it into law (P.L. 110-96) four months later. The Act greatly increased penalties for violators of U.S. sanctions. As a result, U.S. persons who illegally trade with Iran now face civil fines up to \$250,000 or twice the amount of the transaction. In addition, the Act increased criminal penalties to \$1 million with a maximum jail sentence of 20 years. Unlike ISA, these measures have been exercised extensively by the Department of the Treasury's Office of Foreign Assets Control and the Department of Justice to enforce the U.S. trade embargo on Iran.

MULTILATERAL SANCTIONS EFFORTS

Conferees strongly support multilateral efforts aimed at curbing Iran's nuclear program. The United Nations Security Council (UNSC) has passed a number of resolutions condemning Iran's nuclear activities and urging compliance with its international obligations. For example, on December 23, 2006, UNSC Resolution 1737 was unanimously approved, banning supply of nuclear technology and equipment to Iran and freezing the assets of organizations and individuals involved in Iran's nuclear program, until Iran suspends enrichment of uranium and halts Plutonium reprocessing-related activities. UNSC Resolution 1747 was unanimously approved on March 24, 2007, imposing a ban on Iranian arms sales, expanding the freeze on assets, and setting a deadline for Iranian compliance two months later.

Absent compliance, further sanctions were adopted in UNSC Resolution 1803 on March 3, 2008, including a ban on sales of dual-use items; authorization of inspections of cargo suspected of containing WMD-related goods; an expanded Iranian travel-ban list; and a call to ban transactions with Iran's Bank Melli and Bank Saderat. On August 7, 2008, the European Union (EU) implemented the sanctions specified in Resolution 1803, including an assertion of authority to inspect suspect shipments, and called on its